Payment of Income tax within 35 days

2663. SHRI GOVINDRAO ADIK: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as per provisions containing in sub-section (2A) of section 245D of Income Tax Act, 1961, the assessee shall, within 35 days of the receipt of a copy of order under sub-section (1), pay the additional amount of Income Tax payable on the income disclosed in the application and shall furnish proof of such payments to Settlement Commission (Income Tax & Wealth Tax);

(b) whether he is aware that the authorities concerned in the Principal bench as well as in other benches, delay the despatch of such copies of order for not only weeks, but months together to give relief to the assessee in respect of furnishing of proof of such paymnt of income tax amount on the income disclosed, in the applications; if so, the reasons in detail;

(c) the year-wise number of orders of admission passed by the Principal bench of said commission during the year 1991, 1992 and 1993 alongwith the date of order of the commission and the date of despatch of copy of order to assessee in each case and reasons for such an inordinate delay involved in despatch of orders;

(d) whether such an inordinate delay resulted to loss of Government revenue and if so, the action Government propose to take against officials found responsible for such delay involved; and

(e) what are the reasons that the Act is silent about the maximum time to be taken by the authorities of settlement Commission from the date of admission and to the date of despatch of the copy of order to asses see

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) No such cases of deliberate delay in despatch of oders have come to Government's notice.

(c) Since there is very large number of such cases, the time and effort required to obtain the information will not be commensurate with the purpose.

(d) In view of reply to (b) above, question does not arise.

(e) Such mattres of details are best left to exercise of judicial discretion.

Extension of payment of additional amount of income tax

2664. SHRI SATYA PRAKASH MALAVIYA:

SHRI GOVINDRAO ADIK:

Will the Minister of FINANCE be pleased to state:

(a) whether under the provisions of sub-section (2B) of section 245D of the Income Tax Act, 1961 if the Settlement Commission is satisfied, on an application made by assessee in repect of payment of Additional Tax, that he is unable, or good and sufficient reasons, to pay the Additional amount of Income Tax within the stipulated period of 35 days, it may extend the time for payment of the amount which remains unpaid or allow payment thereof by instalments if the assessee furnishes adequate security for the payment thereof;

(b) whether it is a fact that majority of such applications were not placed before the Principal Bench of

Settlement Commission (Income Tax and Wealth Tax), New Delhi, but time for such payment of tax was extended by the Chairman, One Member, or by the Secretary, of the Commission;

(c) if so, the year-wise number of such applications received during 1991-92, and 1993 in the Principal Bench of the Commission and number of those on which extension of time was ganted by the Secretary, the Chairman, and one Member, separately;

(d) whether such extensions without placing the same before the Commision are violative of Income Tax Act, 1961; and

(e) if so, action Government propose to take against such personnels of the Commission for such violations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir

(b) to (d) The present Chairman and Members are following the practice of discussing each request and giving a hearing if considered necessary. As regards past cases scrutiny of all old case files is necessary to collect the information sought. The time and effort spent on this will not be commensurate with the purpose.

(e) In view of the present practice, no action is necessary in the matter.

Recoveries of Income Tax

2665. SHRI GOVINDRAO ADIK: Will the Minister of FINANCE be pleased to state:

(a) whether under the provision of sub-section (2D) of section 245D of the Income Tax Act, 1961,—where additional amount of income tax disclosed in application is not paid by assessee within the period of 35 days or extended period as the case may be, the Settlement Commission may direct that the amount of income tax remaining unpaid, togethher with interest payable thereon, be recovered and any penalty for default in making payment of such amount may be imposed and recovered in accordance with the provisions of Chapter-XVII;

(b) whether a majority of the assessees are being protected from recoveries in accordance with the provisions of Chapter-XVII due to non-availability of any limit on the period for which the extension can be granted and for how many times such extensions can be granted;

(c) if so, the reasons for non-availability of said limits in the Act; and

(d) if the answer to part (b) above be in negative, the year-wise details of such occasions when Settlement Commission (Income Tax and Wealth Tax), New Delhi, ordered for recoveries in accordance with the provisions of Chapter-XVII, alongwith the details about the amount of additional tax, interest involved and amount of penalty in each case during 1991, 1992 and 1993?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) and (c) The requests for extension of time limit are received in a limited number of cases and the Commission grants them only in cases where there is good and sufficient reason and the tax-payer furnishes adequate security. In the interest of justice, it will not be proper to put any limitation on the powers of the Commission, in this regard.